

REMARKS

Claims 1-13 and 15-21 are pending in the application. By this Amendment, Claims 1, 17, 20 and 21 are amended. Favorable reconsideration is respectfully requested in light of the following Remarks.

Applicant gratefully acknowledges the courtesies extended to Applicant's representative during the June 26, 2008 telephone interview. The sum and substance of the interview is contained in the above Amendments and following Remarks.

Entry of this Amendment is proper under 37 CFR §1.116 because this Amendment: (a) places the application in condition for allowance (for the reasons discussed herein); (b) does not raise any new issue requiring further search and/or consideration because the amendments amplify issues previously discussed throughout prosecution; (c) does not add claims without deleting an appropriate number of claims; and (d) places the application in better form for appeal, should be appeal be necessary. This Amendment is necessary and was not earlier presented because it is made in response to arguments raised in the final rejection. Entry of this Amendment is thus respectfully requested.

The Office action rejects Claims 1-13 and 16-21 under 35 U.S.C. 102(e) over Zosin et al. (U.S. Application Publication No. 2004/0181479, hereinafter "Zosin"), and Claim 15 under 35 U.S.C. 103(a) over Zosin in view of Farhang-Merh et al. ("Minimal Sets of Quality Metrics", Book: Evolutionary Multi-Criterion Optimization, January 1, 2003 from the Book Series: lecture Notes in Computer Science), hereinafter "Farhang-Merh"). The rejections are respectfully traversed.

A claim is anticipated only if each and every element as set forth in the claim is found, either expressly or inherently described in a single prior art reference. *See MPEP §2131.*

According to *MPEP §2143*, to establish a *prima facie* case of obviousness, three criteria must be met. First, there must be some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in

the art, to modify the reference or to combine reference teachings. *In re Linter*, 458 F.2d 1013, 173 USPQ 560, 562 (CCPA 1972). Second, there must be a reasonable expectation of success. *In re Merck & Co., Inc.*, 800 F.2d 1091, 231 USPQ 375 (Fed. Cir. 1986). Finally, the applied reference must teach or suggest all the claim limitations. *In re Royka*, 490 F.2d 981, 180 USPQ 580 (CCPA 1974).

As agreed during the telephone interview, at least the feature of augmenting the first interim efficient frontier with the second interim efficient frontier to create an augmented efficient frontier, is not disclosed in Zosin, so the rejection is unsupported by the art and should be withdrawn.

Further, it would not have been obvious to modify Zosin to meet the claimed invention. Zosin teaches generating resampled efficient frontier portfolios by using an averaging process across many possible efficient frontiers. See *Paragraph [0057]*.

By contrast, the claimed invention is amended to further define that the augmented efficient frontier is created by augmenting first and second interim efficient frontiers. Applicant respectfully submits that one of ordinary skill in the art would not use common use to modify the averaging process of Zosin to meet the claimed invention because the averaging process is directed to a different family of operations, as compared to the augmentation process of the claimed invention.

Specifically, the averaging process of Zosin would result in a set of solutions that are NOT on the TRUE efficient frontier because the averaging is performed across multiple efficient frontiers that are each generated by the variation of the input dataset. The averaging process is only capable of generating a “simulated” efficient frontier and not the TRUE efficient frontier. By contrast, the augmentation process of the claimed invention “guarantees” that the TRUE efficient frontier is never lost or compromised, and so the averaging process of Zosin and the augmentation process of the claimed invention are different families of operations.

Further, an averaging process of efficient frontiers requires some record of what portfolio allocation plans went into the average. If the decision maker selects a certain point on the simulated/averaged efficient frontier of Zosin, there is needed a further step of filtering out one of the portfolio allocation plans that went into the average. By contrast, the use of the augmentation process of the claimed invention does not

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introduce such an additional step, and guarantees that one or several portfolio reallocation plans corresponding to the selected points on the augmented TRUE efficient frontier can be immediately selected.

Applicant respectfully requests the Examiner to follow the guidelines issued by the USPTO memorandum on May 3, 2007 regarding the Supreme Court decision on *KSR Int'l. Co., v. Teleflex, Inc.* and conclude that there is no reason why one of ordinary skill in the art would use common sense to modify the averaging process of Zosin to meet the claimed invention.

For at least this reason, Claims 1-13 and 16-21 are allowable over the applied art. Withdrawal of the rejection is respectfully requested.

Claim 15 depends from Claim 1, and is allowable for the same reasons are given above. Withdrawal of the rejection is respectfully requested.

In view of the foregoing, it is respectfully submitted that the application is in condition for allowance. Favorable consideration and prompt allowance of the application is earnestly solicited.

Should Examiner Wong believe anything further would be desirable in order to place the application in better condition for allowance, the Examiner is invited to contact the undersigned attorney at the telephone number listed below.

It is believed that any additional fees due with respect to this paper have already been identified. However, if any additional fees are required in connection with the filing of this paper, permission is given to charge account number 07-0868 in the name of General Electric Company.

9 July 2008

Respectfully submitted,

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